



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D C 20463

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

**FEB 25 2005**

**Kin Cheung**  
2901 South Union Avenue  
Chicago, Illinois 60616

**RE: MUR 5405**

**Dear Mr. Cheung:**

On February 8, 2005, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."), by permitting Apex Healthcare, Inc. to reimburse you for contributions you made to a federal political committee. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission admonishes you and reminds you that making contributions in the name of another violates Section 441f of the Act. You should take steps to ensure that this activity does not occur in the future.

There is a federal statute, 2 U.S.C. § 437g(a)(12), requiring all persons to keep confidential enforcement proceedings conducted by the Federal Election Commission, except with the written consent of the person who is the subject of the enforcement proceeding. This means that unless you have such written consent, you should not publicly disclose the existence of an ongoing Commission enforcement proceeding or the fact that the Commission has contacted you in connection with this matter. This restriction, however, does not prevent you from discussing the underlying facts and circumstances with any person, including the subject of the enforcement proceeding or their counsel. Also please note that respondents have an obligation to preserve all documents, records and materials relating to this matter.

25044111762

Kin Cheung  
MUR 5405  
Page 2

The Commission will notify you when the entire file has been closed. If you have any questions, please contact Adam Schwartz, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

  
Michael E. Toner  
Vice Chairman

Enclosure  
Factual and Legal Analysis

25044111763

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Kin Cheung

MUR 5405

**I. INTRODUCTION**

This matter was generated by a complaint filed with the Federal Election Commission by Gerald Jaecks. *See* 2 U.S.C. § 437g(a)(1).

**II. FACTUAL SUMMARY**

Kin Cheung is an employee at Apex Healthcare, Inc. (“APEX”). Available information indicates that on three separate occasions in 2003, James Chao, the President and sole shareholder of APEX, asked Mr. Cheung to write personal checks to specific political committees with the promise that Mr. Chao would reimburse the contributions. Mr. Cheung reportedly agreed to contribute based on the belief that Chao did not want other political candidates to know how much money he was contributing. Mr. Cheung made three contributions in 2003 totaling \$9,800 to Hynes for Senate, the political committee supporting the election of Daniel Hynes to the U.S. Senate from Illinois. APEX, through James Chao, reimbursed Mr. Cheung for each of these contributions.

**III. LEGAL ANALYSIS**

Mr. Cheung made three contributions to federal campaign committees with assurances from James Chao that he would reimburse the contributions.

The Federal Election Campaign Act of 1971, as amended (the “Act”), prohibits any person from knowingly permitting his or her name to be used to effect a contribution in the name of another person. *See* 2 U.S.C. § 441f. By accepting reimbursement from APEX for his

contributions, Mr. Cheung knowingly permitted his name to be used to effect contributions in the name of another in violation of 2 U.S.C. § 441f.

IV. CONCLUSION

Accordingly, there is reason to believe that Kin Cheung violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect contributions in the name of another.